

MEMORANDUM



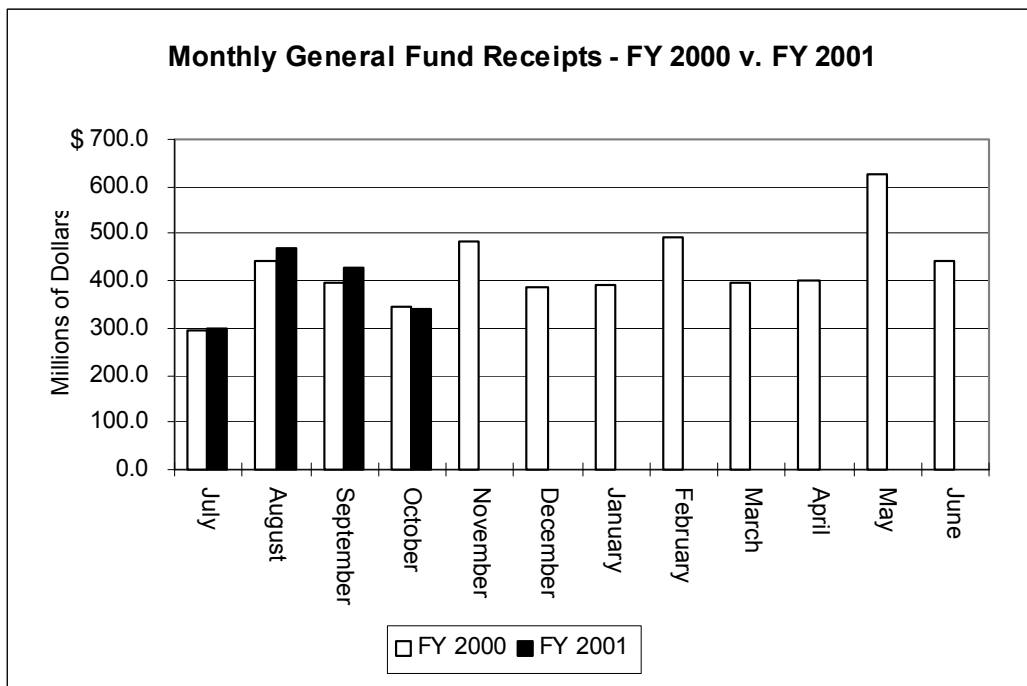
TO: Members of the Iowa Senate and
Members of the Iowa House of Representatives

FROM: Dennis C. Prouty

DATE: November 1, 2000

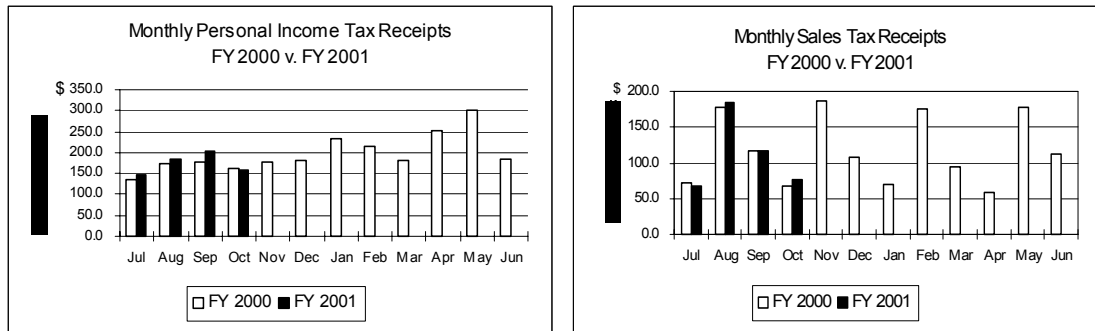
General Fund Receipts Through October 31, 2000

The attached spreadsheet represents total FY 2001 estimated General Fund receipts, with comparable figures for actual FY 2000. These can be compared to the latest FY 2001 estimate (\$5.294 billion) set by the Revenue Estimating Conference (REC) on October 12, 2000. The estimate represents an increase of \$197.5 million (3.9%) compared to actual FY 2000.



FY 2001 Compared to FY 2000

Year-to-date FY 2001 revenue increased by \$62.7 million (4.2%) compared to FY 2000. This is above the REC estimate of 3.9% for FY 2001.



Gross personal income tax revenues received in October totaled \$156.6 million, a decrease of \$6.7 million (4.0%) compared to October 1999.

The REC FY 2001 income tax estimate of \$2.526 billion represents a projected increase of 6.3% compared to actual FY 2000.

Withholding receipts decreased in October by 6.4% compared to October 1999 while estimated payments increased 11.7%.

The Chart above compares monthly personal income tax receipts for FY 2000 with FY 2001.

Sales tax receipts in October totaled \$76.1 million, an increase of \$7.7 million (11.4%) compared to October 1999. The REC estimate for FY 2001 sales tax receipts is \$1.482 billion, which represents an increase of 4.6% compared to actual FY 2000.

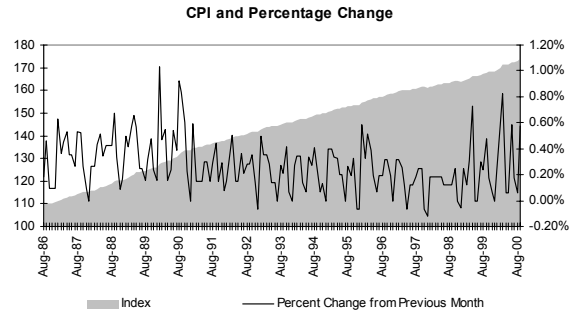
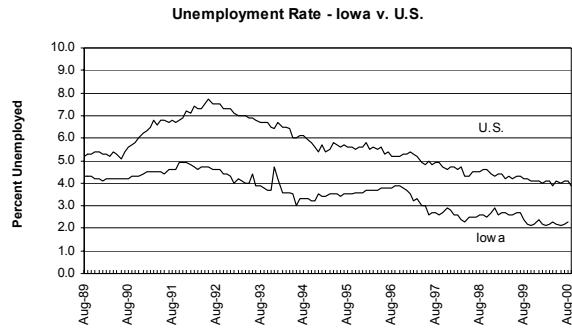
The Chart above compares monthly sales tax receipts for FY 2000 with FY 2001.

Corporate income tax receipts decreased in October by \$0.8 million (2.8%) compared to October 1999. The REC projected FY 2001 corporate income tax receipts at \$313.2 million, a decrease of 4.0% compared to actual FY 2000.

Status of the Economy

The seasonally adjusted percent unemployed for the State in September rose from August's rate of 2.2% to 2.3%. The unemployment rate a year ago was 2.4%. Iowa's total September employment registered 1,536,300, down from August's level of 1,542,300. The number of unemployed persons in Iowa stood at 36,200 in September, which is up from August's level of 35,000. The U.S. unemployment rate for September was 3.9%.

Consumer prices in September rose by 0.5% from August's level. The Consumer Price Index (CPI-U) through September 2000 was 173.7 (1983=100), which is 3.5% higher than one year ago. The following series illustrate U.S. and Iowa unemployment comparisons and the CPI through September 2000.



Information related to State General Fund receipts is available electronically through the Fiscal Bureau's Electronic Publishing of Information System (EPI). If you have questions regarding this service, you may contact Glen Dickinson (515-281-4616).

GENERAL FUND RECEIPTS - FY 2000 vs. FY 2001 July 1 through October 31, in millions of dollars Dollars may not add due to rounding					ESTIMATED GENERAL FUND RECEIPTS in millions of dollars FY 00 Actual Compared to FY 01 REC Estimate		
	FY 2000		Year to Date FY 2001		October		Estimate FY 2001
			% CHANGE	% CHANGE	% CHANGE	% CHANGE	
Personal Income Tax	\$ 650.3	\$ 690.0	6.1%	-4.0%			\$ 2,525.5
Sales Tax	434.4	445.2	2.5%	11.4%			1,482.0
Use Tax	84.3	86.7	2.8%	7.8%			257.9
Corporate Income Tax	83.4	86.1	3.2%	-2.8%			313.2
Inheritance Tax	34.8	32.4	-6.9%	-26.6%			109.0
Insurance Premium Tax	0.1	0.5	400.0%	100.0%			122.0
Cigarette Tax	31.3	30.3	-3.2%	5.4%			90.5
Tobacco Tax	2.4	2.2	-8.3%	-16.7%			7.2
Beer Tax	5.1	5.1	0.0%	0.0%			13.8
Franchise Tax	9.3	10.5	12.9%	31.6%			30.7
Miscellaneous Tax	1.6	4.2	162.5%	n/ m			1.1
Total Special Taxes	\$ 1,337.0	\$ 1,393.2	4.2%	1.2%			\$ 4,744.8
Institutional Payments	12.5	15.5	24.0%	875.0%			48.2
Liquor Transfers:							
Profits	8.5	9.5	11.8%	50.0%			36.0
7% Gross Revenue	3.0	3.0	0.0%	0.0%			9.0
Interest	7.0	6.0	-14.3%	-37.2%			26.0
Fees	20.6	23.0	11.7%	60.0%			66.3
Judicial Revenue	13.3	11.6	-12.8%	-25.5%			52.3
Miscellaneous Receipts	23.1	20.5	-11.3%	-137.5%			52.7
Racing and Gaming Receipt	51.3	56.7	10.5%	-2.7%			60.0
TOTAL RECEIPTS	\$ 1,476.3	\$ 1,539.0	4.2%	0.3%			\$ 5,096.8
							\$ 5,294.3
							3.9%